Opportunities for Corporate Fraud Teams

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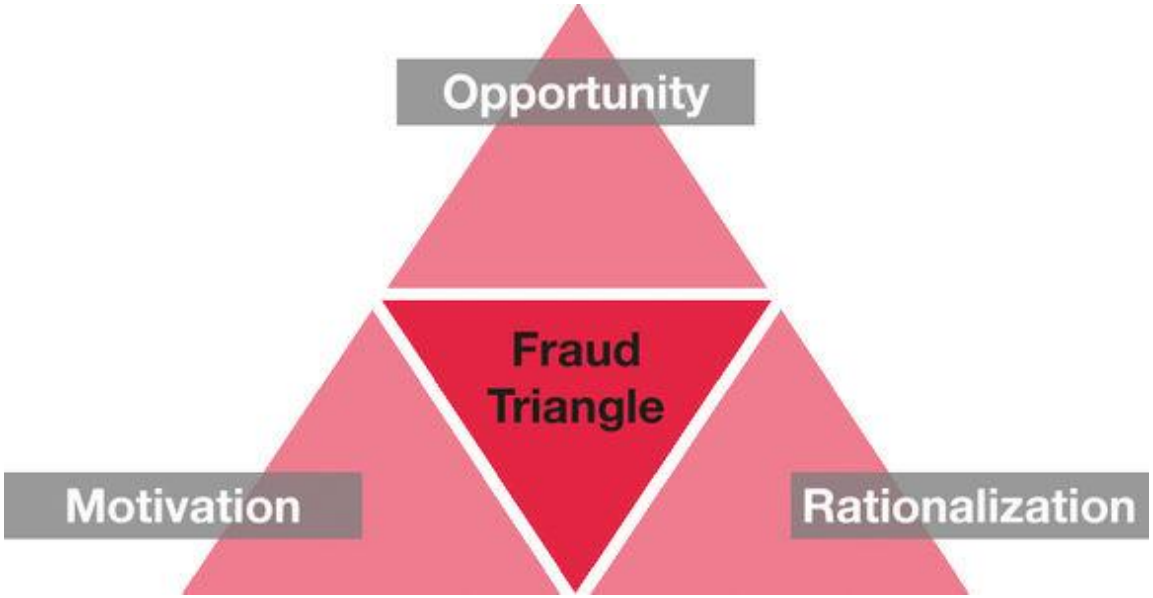
What is fraud?

Fraud is a type of criminal activity, defined as: 'abuse of position, or false representation, or prejudicing someone's rights for personal gain'. Put simply, **fraud** is an act of deception intended for personal gain or to cause a loss to another party.

- The Serious Fraud Office

Why does fraud happen?



Scenario

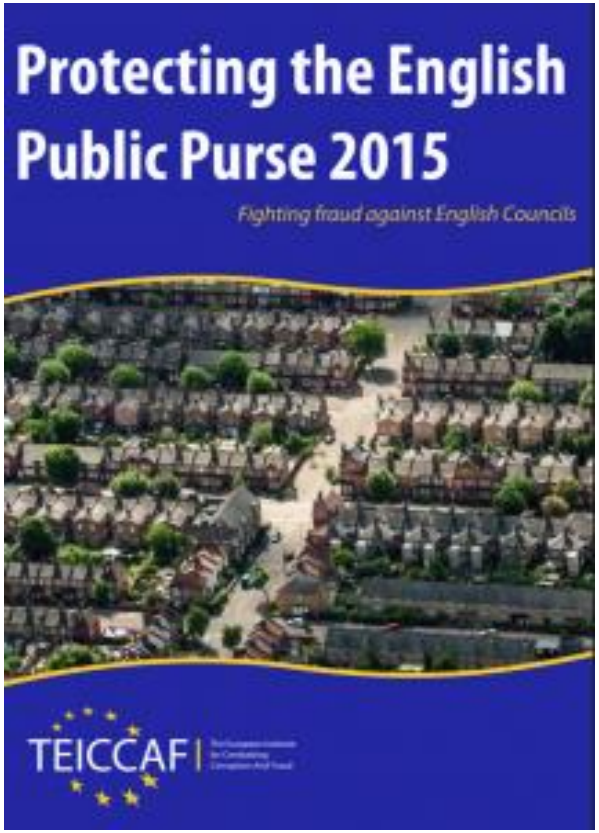
- Who in this room considers themselves an honest person?
- What if there was a large pile of cash on a table that you thought you could take and not be caught?
- What if you could guarantee that you would not be caught?
- What if you needed the money to pay for a life saving operation for a loved one?
- Opportunity/Rationalisation/Motivation

What do fraudsters look like?

FIFA

CREDIT
Le Tour de France 2005

Threats/Risks



Threats/Risks

- Council Tax
- Council Tax Support
- Business Rates
- Housing Tenancy Fraud
- Insurance
- Grants
- Procurement
- Employee/Recruitment
- Blue Badge
- Direct Payment/Personal Care Budgets

Why prevent fraud?

- S151 officer has a duty to protect public funds
- Save tax payers money
- Austerity/cut backs – not enough money to deliver essential services
- DCLG transparency code requirement to publish counter fraud data
- Police cut backs – don't rely on them for help

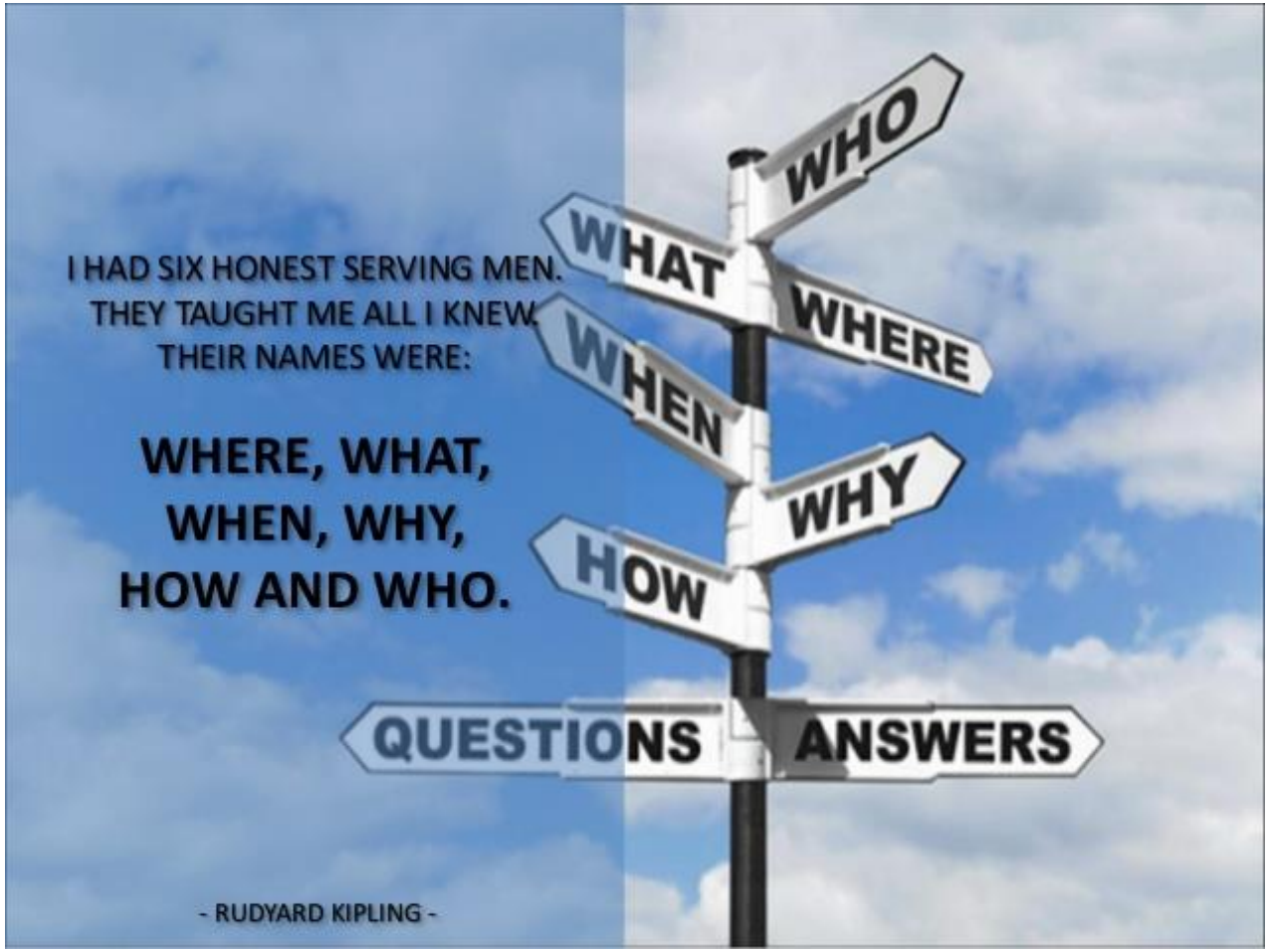
Opportunities

- **Prevent** – Secure gateways
- **Detect** – Retain experience/expertise
- **Deter** – If fraud is found prosecute and publicise
- Powers under S222 LGA 1972 to prosecute offences
- Frauditors?
- Partnerships
- Multi functioning staff/added value – HB "compliance" visits, assist with New Homes Bonus, general enforcement/debt recovery, fixed penalty notices (parking and littering – increased revenue), NNDR "check" visits, additional burdens (post SFIS), SPOC for DPA requests, new tenancy visits & tenancy audits

Early successes

- Stopped a trade waste fraud dating back to 1954. 4 staff members disciplined & 2 resigned
- CTS pro-active work – overpayments £37,700
- Sanctions achieved:10 cautions, 3 penalties, 1 prosecution referred to Legal
- SPOC for Police and SFIS
- First non benefit sanction – CTAX SPD fraud/employee facing disciplinary action
- Tenancy fraud referrals coming through
- Pro-active drives starting for CTAX (students) and NNDR (small business rates relief)
- Visits for new homes bonus – expected £60,000 generated

Questions


I HAD SIX HONEST SERVING MEN.
THEY TAUGHT ME ALL I KNEW.
THEIR NAMES WERE:
WHERE, WHAT,
WHEN, WHY,
HOW AND WHO.
- RUDYARD KIPLING -
WHO
WHAT
WHERE
WHEN
WHY
HOW
QUESTIONS
ANSWERS